

Mineral Industry Surveys

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TIN IN JANUARY 1998

Domestic consumption of primary tin in January was estimated by the U.S. Geological Survey to be 4% above that in December 1997 and the same as that in January 1997.

The *Platt's Metals Week* average composite price for tin in January was \$3.56 per pound, 4% lower than that in December 1997 and 10% lower than that in January 1997. The steady downward drift of tin prices that prevailed during 1997 continued into 1998.

The Defense Logistics Agency (DLA) issued its proposed annual materials plan (AMP) for fiscal year 1999, which begins on October 1, 1998. Congress has until September 30, 1998, to make changes to the proposed 1999 AMP. The AMP calls for the sale of up to 12,000 metric tons of tin from the Government stockpile, similar to figures proposed in AMP's in recent years (Ryan's Notes, 1998).

In the United Kingdom, officials at the South Crofty tin mine in Cornwall, the United Kingdom's last remaining tin mine, submitted a proposal for a \$10 million financial aid plan to the United Kingdom's Department for Trade and Industry. The Canada-based owner of the mine, Crew Resources, which acquired control of South Crofty in 1994, made a decision in 1996 to close the mine by late 1997. Management cited low tin prices combined with the strength in the British currency, the pound sterling. Tin mining in Cornwall dates back to Roman times and South Crofty is the last of several active tin mines in the past decade to face closure. It produced 2,300 tons of tin-in-concentrates in 1997. However, on February 5, the British Government rejected the financial aid proposal to keep the mine operating. Therefore, the mine was scheduled to close in March (Platt's Metals Week, 1998).

In Slovakia, it was reported that VSZ, one of the largest steelmakers in Central Europe, was set to form a joint venture contract with the U.S. Steel Group in February. The two parties intend to jointly own and operate a tinplate production plant in Slovakia. Initially, operations would begin with VSZ's existing facilities, which include a 140,000-ton-per-year tinning line, a continuous annealing line and a temper mill at VSZ's integrated steel complex in Kosice, eastern Slovakia. The expansion would involve adding a new 200,000-ton-per-year electrolytic tinning line and a 200,000 ton-per-year continuous annealing line. The decision to form the partnership will enable U.S. Steel to serve a new customer base in Central Europe including a growing number of American companies drawn to the region by growing demand (CRU International Ltd. 1998).

In Peru, Minsur, the country's only tin producer, announced plans to expand its mining capacity. This follows an expansion in mid-1996 which took ore mining capacity from 1,000 tons per day to 1,500 tons per day. Minsur now plans to increase its treatment capacity at its San Rafael tin mine from the existing 1,500 tons per day to 2,500 tons per day within 2 years. Currently, Minsur's mining operations involve extracting mineral rock that contains about 6% tin. The concentrate produced has a 50% tin content. Reports indicate that Minsur has shown an interest in the privatization of Bolivia's Vinto tin smelter. Minsur officials visited the Vinto smelter recently. In 1997, Minsur produced about 27,000 tons of tin-in-concentrate. With capacity at its smelter limited to 15,000 tons per year, the remainder of its mine output is toll smelted elsewhere (CRU International Ltd., 1998).

In Pakistan, it was announced that a local textiles manufacturer is planning to branch out into the steel industry with the installation of a 100,000-ton-per-year electrolytic tinning line near Karachi. Siddiqsons Tinplate Ltd. plans to start commercial operations at Winder, about 90 kilometers from Karachi, in June 1999. The total project cost is estimated to be about \$35 million, which will be financed 60% as debt and 40% as equity. Among the equity participants are major tinplate producer Sollac (France) and major trader Mitsubishi (Japan). Each will invest \$1 million for a 7% stake. Siddiqsons estimated that Pakistan consumes about 150,000 tons per year of tinplate. The new facility will be Pakistan's first ever tinplate line (Metal Bulletin, 1998).

Update

On March 6, 1998, the *Platt's Metals Week* composite price for tin was \$3.67 per pound.

References Cited

- CRU International Ltd., 1998, Minsur to expand mine output: CRU Tin Monitor, February, unpaginated.
- 1998, Tinplate news: CRU Tin Monitor, February 1998, unpaginated.
- Metal Bulletin, 1998, Sollac invests in Asian tinplate lines: Metal Bulletin, no. 8252, February 12, p. 23.
- Platt's Metals Week, 1998, No UK government rescue for South Crofty: Platt's Metals Week, v. 69, no. 6, February 9, p. 5.
- Ryan's Notes, 1998, FY 1999 annual materials plan: Ryan's Notes, v. 4, no. 8, February 23, p. 4.

TABLE 1
SALIENT TIN STATISTICS 1/

(Metric tons, unless otherwise noted)

		1997	1998
	1997 p/	December	January
Production, secondary e/ 2/	10,800	900	900
Consumption:			
Primary	37,200 r/	3,150 r/	3,280
Secondary	11,000 r/	1,100 r/	1,090
Imports for consumption, metal	40,600	2,670	NA
Exports, metal	4,360	NA	NA
Stocks at end of period	XX	6,100 r/	5,650
Prices (average cents per pound): 3/			
Metals Week composite 4/	381.49	371.93	356.22
Metals Week New York dealer	264.45	260.31	245.41
London, standard grade, cash	256.00	250.00	236.00
Kuala Lumpur	252.24	245.16	232.70

e/ Estimated. p/ Preliminary. r/ Revised. NA Not available. XX Not applicable.

1/ Data are rounded to three significant digits, except prices.

2/ Comprises tin recovered from alloys and tinplate. The detinning of tinplate (coated steel) yields only a small part of the total.

3/ From Platt's Metals Week.

4/ The Metals Week composite price is a calculated formula, not a market price, that includes fixed charges, finance charges, and a risk factor. It normally is substantially higher than other tin prices.

TABLE 2
METALS WEEK COMPOSITE PRICE 1/

(Cents per pound)

Period	High	Low	Average
1997 (annual)	404.19	360.46	381.49
1997:			
January	404.19	387.89	396.17
February	403.46	390.40	395.64
March	401.81	389.32	395.64
April	393.82	380.00	386.55
May	393.67	378.72	386.59
June	384.93	374.20	377.81
July	375.61	362.36	370.10
August	377.46	362.60	369.01
September	384.65	362.91	372.60
October	400.12	366.51	377.39
November	387.04	363.84	378.42
December	390.56	360.46	371.93

1/ The Metals Week composite price is a calculated formula, not a market price, that includes fixed charges, finance charges, and a risk factor. It normally is substantially higher than other tin prices.

Source: Platt's Metals Week.

TABLE 3
TINPLATE PRODUCTION AND SHIPMENTS IN THE UNITED STATES 1/

(Metric tons, unless otherwise noted)

Period	Tinplate waste (waste, strips, cobble, etc.) (gross weight)	Tinplate (all forms)			Shipments 2/
		Gross weight	Tin content	Tin per metric ton of plate (kilograms)	
1997 p/	157,000	2,010,000	9,300	4.6	2,480,000
1997:					
December	11,300	152,000	705	4.6	228,000
1998:					
January	16,000	180,000	747	4.1	NA

p/ Preliminary. NA Not available.

1/ Data are rounded to three significant digits.

2/ Shipments data from American Iron and Steel Institute monthly publication AIS10.

TABLE 4
U.S. TIN IMPORTS FOR CONSUMPTION AND EXPORTS 1/

(Metric tons)

Country or product	1997			
	1996	November	December	January- December
Imports:				
Concentrates (tin content):				
Canada	--	--	--	20
Japan	--	--	--	37
Total	--	--	--	57
Metal (unwrought tin):				
Bolivia	6,290	763	746	6,680
Brazil	9,460	722	421	8,610
Chile	407	--	--	464
China	2,760	616	132	4,710
Hong Kong	--	--	--	258
India	898	160	--	1,720
Indonesia	7,550	420	820	7,610
Malaysia	965	540	57	1,640
Netherlands	--	--	--	200
Peru	481	580	310	6,610
Russia	435	(2/)	--	480
Thailand	--	180	--	600
Other	922	139	185	1,010
Total	30,200	4,120	2,670	40,600
Other (gross weight):				
Alloys	11,800	164	69	3,870
Bars and rods	695	110	67	1,060
Foil, tubes, and pipes	(3/)	2	(3/)	2
Plates, sheets, and strip	641	(3/)	10	186
Waste and scrap	6,740	92	87	1,960
Miscellaneous	1,360	148	161	1,590
Total	21,300	516	394	8,670
Exports (metal)	4,780	335	NA	4,360

NA Not available.

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Revised to zero.

3/ Less than 1/2 unit.

Source: Bureau of the Census.

TABLE 5
CONSUMPTION OF TIN IN THE UNITED STATES, BY FINISHED PRODUCT 1/

(Metric tons of contained tin)

Product	1997 p/	1997			1998		
		December			January		
		Primary	Secondary	Total	Primary	Secondary	Total
Alloys (miscellaneous)2/	424 r/	41 r/	--	41 r/	42	--	42
Babbitt	149 r/	8	W	8	7	W	7
Bar tin and anodes	64 r/	W	W	W	W	--	W
Bronze and brass	1,790	W	W	W	98	109	207
Chemicals	7,530	622	W	622	671	W	671
Collapsible tubes and foil	288	28	--	28	22	W	22
Solder	6,150 r/	620 r/	399 r/	1,020 r/	661	396	1,060
Tinning	709 r/	67	--	67	67	--	67
Tinplate3/	9,160	705	--	705	747	--	747
Tin powder	192	W	W	W	W	W	W
White metal 4/	W	W	W	W	W	--	W
Other	4,900 r/	158 r/	205 r/	363 r/	65	85	149
Total reported	31,400 r/	2,250 r/	604 r/	2,850	2,380	590	2,970
Estimated undistributed consumption 5/	16,800	900	500	1,400	900	500	1,400
Total	48,200 r/	3,150 r/	1,100 r/	4,250 r/	3,280	1,090	4,370

r/ Revised. W Withheld to avoid disclosing company proprietary data; included with "Other."

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includesterne metal.

3/ Includes secondary pig tin and tin acquired in chemicals.

4/ Includes pewter, britannia metal, and jewelers' metal.

5/ Estimated consumption of plants reporting on an annual basis.

TABLE 6
DEFENSE LOGISTICS AGENCY
TIN STOCKPILE DISPOSALS 1/

(Metric tons)

Period	Monthly disposals 2/
1997:	
January	215
February	200
March	115
April	60
May	200
June	60
July	210
August	220
September	45
October	45
November	35
December	--
Total	1,410
1998:	
January	20

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ These disposals represent only the daily, spot sales program. They do not include the long-term dealer contract sales program.

Source: Defense Logistics Agency.